

## Comparisons of Revisions to Real GDP

Current quarterly estimates of GDP are released on the following schedule: "Advance" estimates, based on source data that are incomplete or subject to further updates by the source agency, are released near the end of the first month following the end of the quarter; as more detailed and more comprehensive data become available, "second" and "third" estimates are released near the end of the second and third months, respectively. "Latest" quarterly estimates reflect the results of both annual and comprehensive updates, which are typically released in late July.

Annual updates generally cover at least the 5 most recent calendar years (and the associated quarters) and incorporate newly available major annual source data. Comprehensive (or benchmark) updates are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

The table below presents the average revisions to the quarterly percent changes in real and current-dollar GDP for the different estimate vintages. From the advance estimate to the second estimate (1 month later), the average revision to real GDP growth without regard to sign is 0.5 percentage point, while from the advance estimate to the third estimate (2 months later), it is 0.6 percentage point. From the advance estimate to the latest estimate, the average revision without regard to sign is 1.2 percentage points. Larger average revisions for the latest estimates reflect the fact that comprehensive revisions include major improvements to the accounts, such as the incorporation of BEA's latest benchmark input-output accounts. The current quarterly estimates correctly indicate the direction of change in real GDP 96 percent of the time, correctly indicate whether GDP is accelerating or decelerating about 62 percent of the time, and correctly indicate whether real GDP growth is above, near, or below trend growth about 81 percent of the time.<sup>1</sup>

### Revisions to Quarterly Percent Changes of GDP: Vintage Comparisons

[Annual rates]

| Vintages compared         | Average | Average<br>without regard to sign | Standard deviation of<br>revisions without<br>regard to sign |
|---------------------------|---------|-----------------------------------|--|
| <b>Real GDP</b>           |         |                                   |  |
| Advance to second         | 0.1     | 0.5                               | 0.4  |
| Advance to third          | 0.1     | 0.6                               | 0.5  |
| Second to third           | 0.0     | 0.2                               | 0.3  |
| Advance to latest         | 0.0     | 1.2                               | 0.9  |
| <b>Current-dollar GDP</b> |         |                                   |  |
| Advance to second         | 0.1     | 0.5                               | 0.4  |
| Advance to third          | 0.2     | 0.6                               | 0.5  |
| Second to third           | 0.0     | 0.3                               | 0.3  |
| Advance to latest         | 0.2     | 1.3                               | 1.0  |

Comparisons in this table are based on the period from 1993 through 2017 and reflect the results of the 2018 Comprehensive Update of the National Income and Product Accounts.

1. See "[The Revisions to GDP, GDI and Their Major Components](#)," by Dennis J. Fixler, Danit Kanal, and Pao-Lin Tien, *Survey of Current Business*, January 2018.